

STATE CONTROLLER'S OFFICE
PERSONNEL/PAYROLL SERVICES DIVISION
P. O. BOX 942850
Sacramento, CA 94250-5878

DATE: October 7, 2016

PERSONNEL LETTER #16-013
(Civil Service Only)

TO: All Agencies in the Uniform State Payroll System

FROM: Debra Spellman, Chief
Personnel/Payroll Services Division

RE: **JULY 1, 2016 SALARY CHANGES FOR BARGAINING UNIT 7 EMPLOYEES**

Based on an agreement between the State of California and Bargaining Unit 7, a 3.0% general salary increase (GSI) has been approved effective July 1, 2016. In addition, a special salary adjustment (SSA) has been approved for certain classifications in BU07. Please refer to CalHR Pay Letter #16-18 for further information. This letter can be accessed via the following link:

<https://hrnet.calhr.ca.gov/CalHRNet/default.aspx>.

The new salary rate will be reflected in the employees' October 2016 master payroll. Adjustments will also issue for the 07/2016, 08/2016 and 09/2016 pay periods. See below for additional information on the adjustment payments.

EH MASS UPDATE PROCESSING

The State Controller's Office (SCO) processed an Employment History (EH) mass update on October 5, 2016 to post a GEN transaction effective July 1, 2016 for employees due a GSI. The GEN transaction will reflect the GSI within the employees' base salary rate. In addition, out-of-sequence transaction were included in the mass update process.

The State Controller's Office (SCO) processed another mass update on October 6, 2016 to post a SAL transaction effective July 1, 2016 for eligible BU07 employees in class code 0983, 0992, 1663, 1664, 1670, 8570, 8571, 8575, 8595, 8610, 9028, 3930 and 9029. The SAL transaction reflects the SSA within the employee's base salary rate. Please note, out-of-sequence transactions were not included in this mass update.

PPSD will manually update EH records not included in the mass update. PPSD will notify departments of any situations requiring department action.

Turnaround (TAD) PARs will be issued and released on a flow basis.

EXCEPTIONS:

- Bargaining Unit 7 employees in class codes 1012, 1013, 8121, 8122, 8186, 8187, 8188 and 8687 will not be included in the GEN mass update. Departments must manually identify employees in these class codes and key both the SAL and the GEN transactions with 07/01/2016 effective date. Departments can begin to key these transactions on 10/07/2016.

- Departments must manually identify employees in E48, E59 and E97 and key the GEN transaction effective 07/01/2016.
- For Bargaining Unit 7 employees with locked-in Physical Fitness pay from Pay Differential 109, departments MUST process a 350 transaction effective 10/01/2016 to remove the locked-in Physical Fitness Pay from employees' records. The 350 transaction MUST be keyed between 10/07/2016 to 10/21/2016. A SAL transaction then must be processed effective 10/01/2016 to include the SSA amount for all eligible employees referenced in the Pay Letter.

SPECIAL EH DOCUMENTATION/PROCESSING INSTRUCTIONS

Disability/Military Leave

Employees on Disability or Military leave at the time of the mass update will need to be identified and updated by departments.

Plus Salary

Departments must manually identify and update the records of employees who have a plus salary.

Lump Sum

Employees who separated from state service without fault prior to the effective date of the salary increase with lump sum pay extending beyond 10/01/16, and who were eligible for the GEN/SAL at the time of the separation, should have their lump sum adjusted to reflect the salary increase. Departments must identify and manually process the GEN/SAL transactions for separated employees, as applicable.

Out-of-Sequence

After the GEN transaction is posted to an employee's EH record, any new out-of-sequence transaction must have the old salary rate entered, if allowable on the transaction. If not entered, the salary rate information per the GEN transaction will be reflected on the new transaction and could cause an overpayment for the employee. See PAM Section 9 for further processing information.

If correcting a 07/01/2016 effective date transaction that was processed prior to the GEN being posted, enter the GSI Code O (alpha O) in the GSI field on the PAR1 update screen on the correct transaction to indicate the old salary rate. Per DPA rule 599.689, MSA/SIS transactions with a 07/01/2016 effective date must be posted prior to the GEN, if applicable. Enter the GSI Code O on the MSA/SIS transaction to indicate the old salary rate. Failure to enter the GSI Code O could result in an incorrect base salary rate and/or anniversary date for the employee (i.e., overpayment).

PAYROLL ADJUSTMENTS

Adjustments for regular pay payments and overtime payments (i.e., non-FLSA overtime pay) that have already been issued will be automatically made after the employees' EH records are updated for the salary change.

Departments will need to request GSI/SSA adjustments, via the PIP system on form STD.671, for the following payments that have issued for the 07/2016, 08/2016 and 09/2016 pay period. See PPM Section K for PIP system instructions.

- FLSA Overtime Pay (Payment Type 1, Payment Type Suffix F) – see PPM Section G 024 for further information.
- Out-of-Class Pay (Earnings ID SI only) – see PPM Section G 831 for further information.
- Awards/Bonus/Special Pay (Payment Types A, G, 9, and S (except Holiday Pay)) if the pay rate is based on the employee's based on salary and the employee is receiving a GSI. Determine the difference in gross due and key the difference in the gross field on the PIP system's miscellaneous detail screen.

Departments will need to submit form STD. 674/674D to PPSD to request adjustments for the following payments that have issued for the 07/2016, 08/2016 and 09/2016 pay period:

- Regular pay with dock applied for employees with a mid-month change.
- Regular pay for employees on an alternate work schedule or working a shift and time paid does not equal time possible for the pay period.
- Industrial Disability Leave (IDL).
- Temporary Disability (TD).
- Nonindustrial Disability Leave (NDI).
- LC 4800.
- Out-of-Class pay – Earnings ID 8G and 8G2 only.
- Supplemental Premium Payment Type 8 only if the pay rate is based on a percentage of the employee's based on salary rate and the employee is receiving a GSI.

RETROACTIVITY CHARGES

The transactions resulting from the July 1, 2016 GSI/SSA update are considered to be non-controllable personnel and payroll transactions. The EH transactions and payroll adjustments resulting from the EH mass updates or initiated by PPSD will be reflected on the Monthly Retroactivity Report, but should be removed. The EH transactions and payroll transactions that are key entered by the department will also appear on the department's report. The department should return the report identifying the items associated with the July 1, 2016 salary changes, along with the appropriate explanation.

Please direct questions on the GSI/SSA as follows:

SUBJECT AREA	CONTACT	TELEPHONE NUMBER
Program Administration (e.g., rules, regulations, benefits/pay impacts)	Personnel Services Branch CalHR	(916) 323-3343
General Payroll Procedures Disability Payroll Procedures Employment History Procedures	Customer Contact Center SCO	(916) 372-7200

DS:RK:PMAB